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w/ 12B at  
7/16 mtg.*

16 July 1980

MEMORANDUM FOR: DCI

FROM :

[redacted]  
Special Assistant to the DCI  
for Counterintelligence

SUBJECT : Current Status Report on New U.S. Embassy in Moscow

1. Action Requested: None; for your information only.

2. Attached is a State cable from Ambassador Watson reporting a 9 July conversation with the Soviet First Deputy Foreign Minister in which the Ambassador labelled current Soviet customs clearance procedures as unacceptable. This meeting was one of three actions on the subject. Others were:

- a meeting in Washington between the State Soviet Desk Officer, William Shinn, and the Soviet DCM, and
- a meeting in Moscow between the U.S. DCM, Mark Garrison, and the Chief Soviet Construction Officer.

Each of these demarches conveyed U.S. displeasure with Soviet customs procedures and the lack of a warehouse facility for storage of U.S. materials in Moscow. None of the conversations, however, was able to employ any leverage by the U.S. to compel Soviet action. They were only protests which were conveyed to the Soviets. [redacted]

3. State Security identifies three options for developing U.S. leverage:

- Initiate a "customs war." (The U.S. stands to lose this because the Soviets import so little to Washington and can satisfy nearly all their needs by local procurement.)
- Threaten to expel Soviet personnel from the Mt. Alto site in Washington. (State perceives major legal obstacles in the way of any effective action on this course.)
- Other options to be developed. (State Security is attempting to stimulate thoughts in State to come up with leverage ideas.) [redacted]

State Dept. review completed

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4. The current (15 July) status of material shipments to Moscow via Helsinki is as follows:

- The van containing CCTV security equipment which was not cleared by Soviet customs was returned to Helsinki for secure storage.
- Five vans of equipment are now in storage at Helsinki awaiting resolution of the customs clearance and Moscow warehouse issues.
- Five more vans of equipment are currently enroute from the U.S. to Helsinki. They will be held at Helsinki for the time being.
- Commencing this week, regular shipment of four vans per week from the U.S. to Helsinki will occur. Some of these will contain non-sensitive material and could go on to Moscow and through Soviet customs clearance if we could get the needed storage facility in Moscow.
- Storage in Helsinki will be by the freight-handling contractor (P.E.I.) at additional cost to the U.S. Moreover, the maximum storage capacity at Helsinki is 200 vans.

5. As reported in the press today, Secretary Muskie met with Ambassador Dobrynin on 14 July. Our check with State indicates that the subjects of customs procedure and the warehouse were not discussed, however.

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Attachment:  
As indicated

Distribution:  
1 - Subject file  
1 -  chrono file

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